

Overview and recommendations of the TOSSD pilot study on health

TOSSD Task Force Issues Paper¹ - Agenda item 5 14th meeting of the International TOSSD Task Force 8-9 December 2021

This paper presents an overview of the TOSSD pilot study on health. Task Force members are also invited to consult the full pilot study report² for a more detailed explanation of the main findings presented in this summary.

Task Force members are invited to provide feedback on the main findings and recommendations arising from the pilot study. A first discussion to this effect takes place at the meeting on 8-9 December 2021, and another is foreseen early 2022.

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² See “TOSSD - Tracking global health expenditure in support of the SDGs” (https://www.oecd-ilibrary.org/development/tossd-tracking-global-health-expenditure-in-support-of-the-sdgs_cb8be42b-en).

Introduction

1. The COVID-19 pandemic has underscored the need to understand the full array of public financing for global health, which is essential to guiding global (i.e. domestic and international) health policy decisions and investments. How much does international public financing support health in developing countries? How much does domestic public financing support health-related international public goods, including health security, research and development (R&D), etc.? Are public investments in health R&D sufficiently aligned with global public health needs? Do they address the need to provide equitable and global access to health technologies? How much public funding goes to neglected topics such as poverty-related diseases, rare diseases, anti-microbial resistance, etc.? These are key public policy questions that require an integrated, coherent and global response.
2. TOSSD can provide a comprehensive framework for the global community to monitor these issues and measure progress towards the achievement of global health objectives. The TOSSD framework is composed of two Pillars: (i) cross-border resource flows to developing countries; and (ii) expenditures on international public goods (IPGs), development enablers and global challenges. In TOSSD, IPGs include global public goods (GPGs), regional public goods (RPGs) and other IPGs that do not have fully global benefits.³
3. **The general objective of this pilot is to test the current TOSSD methodology for tracking the global financing for health and explore how it can be shaped to best respond to the international community's emerging information needs, including those of developing countries, and to encourage efforts to progress towards global health objectives as defined in the SDGs.** While this study investigates financing issues related to pandemic preparedness, because of the multiple challenges that must be overcome to achieve global health objectives, the scope of the pilot goes beyond the case of COVID-19 or global pandemics, thereby covering global health financing more broadly.
4. In order to investigate these issues, we have reviewed a large body of literature and interviewed a group of recognised experts from:⁴
 - Global organisations with expertise in health financing (WHO, the OECD, the UN Institute for Global health and the Centre for Global Development),
 - National biomedical R&D funding institutions (the US National Institutes of Health),
 - Biomedical research institutions (the International Genomics Institute),
 - Experts in health development co-operation (Christophe Paquet and Agnès Soucat from the French development agency and Olivier Weil, professor in global health),
 - Specialists in R&D policy and biomedical innovation (Ohid Yaqub),
 - Experts in the measurement of R&D and health expenditure (the OECD, Policy Cures Research and Marco Schäferhoff), and
 - Philanthropic foundations specialised in health (the Wellcome Trust).

³ The TOSSD Task Force decided to use the more comprehensive concept of “international public goods”, which includes global public goods (e.g. climate mitigation) and regional public goods (e.g. peace and security or transboundary water management) which were considered as very important to track and encourage.

⁴ Chapter 6 of the pilot study report presents the perspective of all the experts interviewed on TOSSD and the tracking of global health financing (see <https://www.oecd-ilibrary.org/docserver/cb8be42b-en.pdf?expires=1637839902&id=id&accname=guest&checksum=5AAABB214C306848492F0FB194CEBF4>).

I. Tracking the cross-border financing of health in developing countries, including for international public goods – TOSSD Pillar I

5. Chapter 3 of the pilot study shows briefly how TOSSD improves the information available to recipient countries on external financing for health.
6. Developing countries need international financing to address their multiple health challenges. While the existing international statistical system captures a large part of this financing, important gaps remain. **TOSSD will fill these data gaps and improve transparency on external resources for health in developing countries.** In particular, it will provide a better picture of **South-South Co-operation (SSC)**, which is particularly important in the health sector. Some SSC providers are already reporting on TOSSD (e.g. Chile, Costa Rica, Indonesia, Nigeria) and others, who are represented in the International TOSSD Task Force, could start reporting in the future (e.g. Brazil, Colombia). However, more needs to be done to capture some SSC providers that do not yet participate in the TOSSD framework but whose support is very important in the health sector. For example, recent estimates show that Chinese health-related development finance amounted to USD 652 million in 2017 and the experts interviewed emphasised that Malaysia is also an important player in this sector. More recently, the COVID-19 crisis has shown the importance of international assistance from these providers, including to developed countries. For example, People’s Republic of China (hereafter “China”) and India have donated around 75 million and 11 million COVID-19 vaccine doses, respectively.⁵ The experts interviewed highlighted that **TOSSD could allow the reporting of South-North flows** to take account of all international assistance efforts, and thereby go beyond the traditional North/South divide.⁶
7. In addition to highlighting SSC flows to health, the first TOSSD data collection shed light on cross-border support to developing countries not captured so far, for example in medical research. TOSSD enables the tracking of how innovative financing instruments are used in the health sector, including the mobilisation of private finance by official actors (for example, official guarantees are used in the health sector). The experts emphasised that it would be important to provide a comprehensive picture of the official financing for international public goods. Currently, IPGs are only tracked in the second Pillar of TOSSD, which captures resources provided at the domestic and international (supra-national) level. All cross-border flows to developing countries are classified in Pillar I and there is currently no mechanism to track those that contribute to IPGs. **TOSSD should have a method for tracking IPGs in Pillar I, for example through a combination of sectors and keywords.**

⁵ The experts highlighted also the example of the Chinese aid provided to some European countries in response to the COVID-19 crisis (see https://ec.europa.eu/commission/presscorner/detail/en/ip_20_600).

⁶ This issue has been raised previously in the TOSSD consultation with Latin American and Caribbean providers as well as by some Arab providers in the context of their reporting on development finance.

Recommendations

In view of the above findings on the tracking of cross-border resource flows in Pillar I, the International TOSSD Task Force could:

- Seek to increase the coverage of SSC providers by increasing the number of TOSSD Task Force members who report and bringing in other SSC providers that currently do not participate in the TOSSD discussions (e.g. Argentina, India, Malaysia and Uruguay).
- Consider allowing the reporting in TOSSD of South-North flows.
- Develop a mechanism in Pillar I to track the cross-border financing of international public goods in developing countries.

II. Tracking the public financing of international public goods for health at the domestic and supra-national level – TOSSD Pillar II

8. The primary focus of the pilot study was on tracking the financing of health-related IPGs in TOSSD Pillar II. Chapter 4 investigated the extent to which the TOSSD framework is fit for tracking the global financing of health-related IPGs, and how it can be shaped to better respond to the international community's emerging information needs.

A. The general definition and narrative around TOSSD Pillar II

9. The consultation with experts highlighted that **TOSSD can play a key role in monitoring financial flows to global public goods for health**, including pandemic preparedness and response, health R&D, international norms. By filling current data gaps and providing comprehensive and comparable data on IPG/GPG-financing, TOSSD could make an important contribution to international health policy discussions.
10. **In order to better fit this agenda, the general definition and narrative around TOSSD Pillar II may need to be reviewed.** In particular, many experts emphasised that measuring support to global public goods, health-related or not, is fundamentally and conceptually different from measuring support “to promote sustainable development in developing countries”. They emphasised the need to distinguish more clearly between these two objectives in TOSSD, and recommended framing Pillar II around global sustainable development and the benefits to all countries. The overarching TOSSD definition should also reflect this global nature. While Pillar I should be focussed on the sustainable development of recipient countries and providing transparency on external flows to them, Pillar II should be focussed on global sustainable development and transparency provided to the global community. This would also address the concerns that TOSSD will inflate the financing that providers claim as a support to developing countries. **Some interviewees also noted that in a global context marked by the COVID-19 pandemic, focusing Pillar II on GPGs rather than IPGs would clarify the Pillar II narrative.** The concept of IPGs in TOSSD covers GPGs, regional public goods and international public goods the benefits of which are not necessarily fully global.

Recommendations

In view of the above findings on the general definition and narrative around TOSSD Pillar II, the International TOSSD Task Force could:

- Discuss the pros and cons of linking Pillar II to global sustainable development and the implications this would have for the scope of Pillar II and for the overarching TOSSD definition.
- Explore the relevance of refocussing the narrative of Pillar II on global public goods rather than international public goods.

B. Tracking R&D funding as a contribution to international public goods for health

11. R&D funding is analysed extensively in the pilot⁷ given the existing reporting instructions that needed to be tested, the complexity of the topic and its particular importance in achieving global public health objectives. The pilot sought to confirm, in light of the broad consultation with experts, the COVID-19 crisis and the first TOSSD data collection, that the TOSSD eligibility criteria for counting R&D funding in Pillar II (see Box 1) are relevant, i.e. that they reflect the reality of R&D funding and provide the right incentives for achieving global public health objectives. The pilot also tested whether the criteria are sufficiently operational, i.e. is reporting and data collection feasible.

The current broad coverage of health R&D topics in TOSSD Pillar II is appropriate with a measurement approach focussed on global sustainable development and the benefits to all countries

12. In terms of research topics, TOSSD Pillar II covers all those related to the SDGs and potentially applicable to at least one developing country in addition to basic research. **The consultations carried out in this pilot show that almost all health R&D meets this criterion.** Although often not explicitly linked to the 2030 Agenda, health R&D can generally be considered as contributing to the SDGs, which deal with all the factors that contribute to human health and well-being. However, the experts interviewed mentioned **some cases where the application of the TOSSD sustainability criteria**, which require contributing to at least one SDG target while anticipating “no substantial detrimental effect” on any other target, **would be subjective and dependent on culture** (e.g. many people in the deaf community have opposed the use of innovative genome-editing techniques to prevent and treat deafness, which they do not see as a disease but rather as a fundamental part of their identity). Health R&D can also generally be considered applicable to other populations, including in developing countries.

⁷ See section in Section 4.3 of the TOSSD health pilot study (https://www.oecd-ilibrary.org/development/tossd-tracking-global-health-expenditure-in-support-of-the-sdgs_cb8be42b-en).

Box 1. TOSSD criteria for counting R&D funding as a contribution to IPGs

R&D¹ is defined as research and experimental development comprising creative and systematic work undertaken in order to increase the stock of knowledge – including knowledge of humankind, culture and society – and to devise new applications of available knowledge. TOSSD includes financing by the official sector of R&D into issues directly related to the Sustainable Development Goals. In addition, it includes basic research, which is defined as experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts without any particular application or use in view. Although not explicitly mentioned in the 2030 Agenda, basic research is a principal requirement for innovation for sustainable development.

Officially-supported cross-border flows for R&D activities in TOSSD-eligible countries are included in Pillar I. R&D activities carried out in the provider country, in a non-TOSSD-eligible country or at the level of a multilateral institution are eligible for reporting under TOSSD Pillar II provided that:

- a) The research subject is SDG-related and potentially applicable to more than one country, including at least one TOSSD-eligible country, or the research subject is related to basic research. The first criterion is meant to exclude R&D that is relevant to the SDGs but for which the applicability is largely domestic.
- b) In the case of scientific publications and research data, the funder institution's public access policy is based on the principle of open access. This will ensure that results of the research are put in the public domain and therefore available for populations and scientists worldwide, including in TOSSD-eligible countries.
- c) In the case of official support for experimental development,² the activity is eligible provided that it meets one of the following conditions:
 - The results of the R&D activity are expected to be put in the public domain, for example through applied public research.
 - Research contracts are associated with conditions that aim at promoting competitive manufacturing, for example through non-exclusive licensing³.
 - The support consists of schemes such as advance market commitments (AMC) which aim at developing a product at low prices.

In addition, in cases where R&D is followed by an activity that promotes access to a product in developing countries, both the promotion activity and the original R&D activity are eligible.

The criteria aim to ensure that R&D activities with potential transnational applicability provide benefits to populations and scientists in TOSSD-eligible countries, by requiring that the results of the R&D activity are available to them and/or by promoting access to innovation and technologies in these countries.

Notes:

¹ Definitions in this section are taken from the Frascati Manual available at: <http://www.oecd.org/sti/frascati-manual-2015-9789264239012-en.htm>

² Experimental development is systematic work, drawing on knowledge gained from research and practical experience and producing additional knowledge, which is directed to producing new products or processes or to improving existing products or processes.

³ Non-exclusive licence grants to the licensee the right to use the intellectual property rights (IPRs), but on a non-exclusive basis. That means that the licensor can still exploit the same IPRs and he/she can also allow other licensees to exploit the same intellectual property.

Source: International TOSSD Task Force, *TOSSD Reporting Instructions* <https://www.tossd.org/docs/reporting-instructions.pdf>

13. **While the current broad coverage of health R&D topics is appropriate for measuring public funding that promotes international public goods and global sustainable development, it may be too broad as part of a measure that focusses on “sustainable development in developing countries”.** Most of the experts interviewed supported the current broad coverage of R&D topics in Pillar II, which includes almost all diseases in addition to basic health and biological research. Some interviewees emphasised, however, that not all basic research translates into tangible human benefits. Others stressed on the contrary that fundamental knowledge is a key enabler of human health improvements and that it would be practically challenging to classify basic research according to its potential benefits. The experts also emphasised that while this broad coverage may be relevant for encouraging investments in international public goods, the financing captured should not be presented as promoting the sustainable development of developing countries in particular. Clarifying a global sustainable development objective in the TOSSD definition and narrative could therefore provide a rationale for such a broad coverage. **If the primary objective of Pillar II is to measure official support to promote “sustainable development in developing countries”, which is the current overarching TOSSD definition, then the scope should be limited to R&D topics that are focussed on their needs,** for example neglected poverty-related diseases (see Table 2 below for an examination of what such an eligibility option would entail).
14. **The COVID-19 crisis provides a strong justification for the current broad coverage of health R&D topics in TOSSD.** Today, most of the public investments in COVID-19 R&D are not captured in official development assistance (ODA) and development finance statistics because they are not primarily aimed at supporting developing countries. If the scope of Pillar II was on diseases that affect disproportionately developing countries (e.g. malaria or tuberculosis) – which is currently not the case – it would capture more funding than ODA but would still exclude COVID-19 R&D. However, given that the development of COVID-19 technologies is clearly a pre-requisite for sustainable development everywhere, including in developing countries, there is a strong case for including and encouraging investment in COVID-19 R&D as part of a broader measure of the financing of the SDGs. For example, we estimate that for Canada, the European Commission, the United Kingdom and the United States, the current TOSSD R&D rules, which are not limited to diseases that affect primarily developing countries, but are conditional to scientific publications and health technologies being accessible in these countries (see below), capture nearly USD 35 billion of COVID-19 R&D funding that would otherwise not be captured in any statistics on the financing of the SDGs.

Conditioning public funding for research to the “open access” principle is relevant for promoting international public goods, but not sufficient to conclude that there is a benefit to developing countries

15. **The experts interviewed broadly supported making the eligibility of research funding conditional to the principle of open access,** which will make the knowledge effectively an international public good. Open access is already required by many R&D funders and given that almost all health R&D topics are covered in the TOSSD R&D reporting instructions as explained above, this means that almost all academic and knowledge-oriented health research, which represents a major part of public R&D funding, is currently eligible under Pillar II. However, the experts also emphasised that while open access is important for promoting global access to knowledge, it is not sufficient to assert the benefit to developing countries, where the primary issue is not access to knowledge but the capacity to perform research.

The TOSSD screening of R&D funding against access to health technologies is relevant and needed, but making it an eligibility condition may be too restrictive and difficult to operationalise at this stage

16. In the case of funding for product development, the current R&D eligibility rules have strict conditions on access to health technologies, which aim to reflect the benefit to developing countries.
17. **Screening R&D funding counted in TOSSD Pillar II against the principle of access to health technologies is needed and would fill a key information gap in current global health policy.** Unaffordable access to health technologies is an important barrier to health sustainability in both developing and advanced countries. Affordability is a particular focus for Southern R&D funders (e.g. India, Malaysia). In addition, the COVID-19 crisis introduced a new push to the debate on access to medicines and placed it high on the global policy agenda. By providing information on policies that encourage global access to medicines, TOSSD would respond to a key information need of the international community.
18. The current TOSSD R&D criteria are generally relevant for describing R&D policies that promote the affordability of health technologies. Pricing-based schemes (e.g. differential pricing), mechanisms to promote competitive manufacturing (e.g. non-exclusive licensing of patents) and the free sharing of technologies in the public domain were all found effective in promoting the affordability of health technologies, either globally or directly in developing countries, and were used to a certain extent by R&D funders. **Much of the public investment in COVID-19 R&D should be eligible under the current TOSSD eligibility rules, which promote affordable access to health innovations in developing countries but do not require “equal access”.** However, although essential, affordability is only one dimension of access to health technologies, particularly in developing countries: **appropriateness** – whether the technologies are suitable for developing countries’ markets – and **availability** – whether they are registered in developing countries and available for use – are also important policy dimensions that should be tracked.
19. **While screening R&D projects against funders’ policies on access to health technologies is important, making it a strict eligibility condition for counting the funding in Pillar II may be too restrictive and difficult to operationalise at this stage.** It may be too restrictive for several reasons: while applied in some cases, conditions on the accessibility or affordability of health technologies are generally not required by domestic R&D funding institutions either because this is not always relevant and feasible, or because they do not have the mandate to do so; broad and affordable access to health technologies can be achieved or promoted through other means than funders’ R&D policy; even if not immediately available for everyone, health technologies will still be accessible to many and eventually become international public goods; while encouraging broad access to health technologies, it is important that TOSSD keeps incentives for more investments to develop the technologies that are crucially needed to address global health challenges and achieve the SDGs. In addition, a number of experts highlighted the practical challenges in operationalising the reporting on access policies at this stage, given that this information is currently not tracked in R&D funders’ systems.

National mandates and more operational reporting guidelines are needed to ensure that providers have the capacity to report activity-level data on health R&D funding, in co-operation with the institutions responsible for international R&D statistics

20. **Total public funding for health R&D is well measured,** in particular through government budget allocations for R&D (GBARD) and gross domestic expenditure on R&D (GERD) statistics produced by the OECD and the United Nations Educational, Scientific and Cultural Organization (UNESCO) Institute

for Statistics, **but not with the level of granularity sought in TOSSD**. This aggregate measurement would not allow, for example, the screening of R&D projects against the principle of access to health technologies, or tracking important sub-categories in health R&D (e.g. R&D on specific diseases). Therefore, while these data could potentially be used provisionally, depending on the eligibility choices of the International TOSSD Task Force (see the options proposed below), **activity-level reporting, where possible and in co-operation with the relevant institutions in charge of international R&D statistics, should ultimately be the goal in order for TOSSD data to be useful**. For many R&D funders, in particular in health, project-level data on R&D funding are available with information on most of the TOSSD key fields.

21. **The most important challenge is the mandate for collecting and reporting TOSSD data.** Recent developments, in particular through discussions in the G20 and other global fora, underscore how TOSSD can help serve as a tool for monitoring and measuring financing for global public goods, including pandemic preparedness. Such discussions can facilitate domestic engagement and the cross-governmental mainstreaming of TOSSD. A whole-of-government reporting mandate is all the more important as R&D funding data may sit under different government administrations and the screening of R&D projects against the principle of access to health technologies can only be made by funders themselves, as relevant screening information can often be confidential. **In addition, in order to be applicable to R&D funders the TOSSD R&D reporting instructions will need to be more practical and the scope of reporting clearer.**

Options for tracking and measuring R&D funding in Pillar II

22. **The promotion by R&D funders of access to health technologies could be tracked as a policy flag, on a voluntary and progressive basis, rather than a strict eligibility condition.** Access to health innovations is a key enabler of “ensuring healthy lives for all” and an essential element of today’s global public health policy. At the same time, it should not be made a strict eligibility criterion for the conceptual and practical reasons mentioned above. Therefore, access policies could rather be tracked as a voluntary (at least in the short term) policy flag, for example in the “key words” field. Based on the recommendations provided by the experts interviewed, we propose a definition of a flag on “access to health technologies”, including more detailed guidance, in Table 1. Screening R&D projects against access is resource-intensive and implementation would need to be progressive.

Table 1. Proposed flag on access policies

Relevant dimensions to promote access	Questions	Guidance
Availability	Have steps been taken to ensure that funded developments reach the markets most in need, in particular in developing countries?	<ul style="list-style-type: none"> Will the products be registered in countries that need them, not just available for the travellers’ market? Will the innovation be licensed to companies in developing countries or placed in the global public domain?
Affordability	Have steps been taken to ensure that funded developments are affordable?	<p>Affordability is promoted either directly or indirectly through pricing or IP strategies:</p> <ul style="list-style-type: none"> Examples of pricing strategies include agreements on affordable pricing, differential pricing or funding schemes aimed at delinking the price of medicines and the R&D costs (e.g. advanced market commitments) or <i>ex post</i> subsidisation of treatments in developing countries. Examples of IP strategies include voluntary licences, technology transfers, licensing strategies such as non-exclusive licensing that promote competition, placement of innovations in the public domain.
Appropriateness	Is the R&D considering how to ensure that the funded development is suitable for the markets of developing countries?	<ul style="list-style-type: none"> Are developing countries involved in the R&D process to ensure that resulting technology is appropriate for them? Does the innovation require cold-chain storage, how many doses, how is it administered, etc.? The characteristics of innovations can generally be shaped through target product profiles.

Note: Draws on the principles proposed by the experts from Wellcome Trust.

23. In terms of eligibility, The TOSSD Task Force should clarify the objective of TOSSD Pillar II and revise the scope of R&D captured in Pillar II accordingly, preferably towards a global public goods and global sustainable development approach. Table 2 presents a summary of some options that the Task Force could consider for adjusting the scope of R&D funding captured in Pillar II, with an illustration of the order of magnitude of public funding potentially captured in each of these options, using the United States (US) and European Union (EU) as examples.

Table 2. Summary of the options for counting R&D funding in TOSSD Pillar II

	In line with the current general objective and definition of TOSSD	If the TOSSD definition and objective is expanded to cover support for global sustainable development	
Options proposed depending on the objective and definition of Pillar II ¹	Option 1: Measuring R&D funding "provided to promote the sustainable development of developing countries".	Option 2: Measuring R&D funding provided to promote global sustainable development, with a focus on application-specific R&D (excluding "pure" basic research).	Option 3: Measuring R&D provided to promote global sustainable development.
What is eligible?	R&D focussed on the needs of developing countries: <ul style="list-style-type: none"> R&D funding for neglected diseases that affect primarily developing countries (malaria, tuberculosis, etc.) beyond what is captured in ODA.¹ Contributions to international product development partnerships (PDPs) that are in co-operation with developing countries and are primarily focussed on equitable access in developing countries (e.g. ACT-A). Any other R&D investment where access in developing countries is a clear and important objective. 	Product development for all health technologies. All applied health research. Purpose-oriented basic health and biological research.	Almost all health R&D is eligible. Reporters would still have the possibility to exclude activities they would consider as purely domestic.
Difficulty operationalising the criteria	Easy: R&D funding for neglected diseases is already tracked in the G-FINDER survey, and data on contributions to international PDPs are easy to collect.	Difficult: "Product development" and "Purpose-oriented basic research" are not categories that are readily available in current R&D funding data. The application of the eligibility criteria would need to be very practical, and operational guidelines could be developed with the support of a consultative group of health experts.	Easy: In terms of eligibility the data collection would be easy given that it would cover almost all health R&D.
Estimation of R&D funding covered using the US and EU as an example (2019)	USD 2 billion	USD 20 billion	USD 38 billion

Note: ¹ For reference, only USD 63 million R&D funding for neglected diseases in option 1 is already captured in ODA.

Recommendations

In view of the above findings on the tracking of R&D funding in Pillar II, the International TOSSD Task Force could:

- Consider tracking the principle of access to health technologies through a policy flag rather than presenting it as a strict eligibility condition.
- Clarify the objective of Pillar II and revise the scope of R&D captured accordingly (see Table 1), preferably towards a global public goods and global sustainable development approach.

C. Tracking other global and domestic health expenditures as contributions to international public goods

24. In defining the scope of health-related activities in TOSSD Pillar II, the TOSSD Task Force has so far discussed mainly the treatment of health R&D. What other domestic and global expenditures provide positive transboundary spill-overs that are sufficiently valuable to the international community to be considered as contributions to IPGs and included in TOSSD Pillar II?

Tracking the financing of international health co-operation and coordination

25. **There was a very broad agreement among the experts consulted in this pilot that international co-operation for health should be captured very broadly in TOSSD Pillar II.** The COVID-19 crisis illustrates more than ever that international co-operation is essential to ensure global health security. It also shows that national egoism, illustrated in vaccine nationalism, can be an important barrier to global health security. Therefore, activities that help ensure health security at the international level should be captured and encouraged in TOSSD. Beyond health security, international health co-operation is also needed to address a number of other global health challenges, for example the increasing burden of non-communicable diseases, which represent nearly three-quarters of global deaths. The experts interviewed from WHO highlighted that they consider the entirety of the organisation's work, which covers all aspects related to health, as contributing to the 2030 Agenda. Therefore, all the activities that provide a framework for countries to co-operate on health matters should be encouraged and tracked in TOSSD. The current TOSSD reporting instructions do allow for such a broad coverage. However, in the same way as outlined above, it was also emphasised that these activities should be seen from their global nature and not as focussing on developing countries' benefits.

Tracking domestic financing for global health security

26. The COVID-19 pandemic illustrates again that global public goods such as health are only provided if every country contributes. Just before the crisis hit the world, the Global Health Security Index had shown that "most countries have not allocated funding from national budgets to fill identified preparedness gaps". In 2018, domestic public spending on health – not counting health R&D – reached USD 4.9 trillion. How much of this spending generates benefits that extend to other countries i.e. contributes to IPGs?
27. **Most of the experts interviewed advocated for including domestic expenditures on pandemic preparedness and health security in general in TOSSD Pillar II.** National surveillance, diagnostic

capacities and immunisation were viewed as essential by many. The role of pharmaceutical regulation agencies was also emphasised as very important, as the validity of their drug approvals can extend to many other countries, including developing countries. The experts also mentioned the fight against anti-microbial resistance as essential for global health security. Finally, the pandemic has demonstrated again the importance of the “One Health” approach, integrating animal and human health, in better preventing pandemics. While the experts emphasised potential definitional issues in some of the above concepts, they recommended referring to the international frameworks in place for addressing health security. **The core health security capacities are best defined in the Joint External Evaluations (JEE) indicators**, which are used to assess progress made by countries in implementing the International Health Regulations (IHR).

28. **Where possible, TOSSD should use already existing data and current efforts to better track health security expenditures.** The primary framework for measuring national health expenditure is the System of Health Accounts (SHA). Efforts are being undertaken currently by the OECD and WHO to map the JEE and SHA categories, and use SHA data as proxy for health security expenditures. Some of the SHA categories can be fully, or almost fully, linked to the JEE health security indicators; others are only partially mapped. Some JEE indicators, for example on animal health, go beyond the SHA, which is focussed only on human health. To further decide how to distribute the SHA expenditure categories to JEE, and how to measure the health security expenditure beyond human health, the OECD and WHO are planning some pilots with a few countries.
29. **Pillar II could start with including the SHA public expenditures that are fully or almost fully mapped to the JEE health security indicators, and that are already tracked for many countries.** Across 21 countries that already report to the OECD at the health care sub-function level, this expenditure is estimated at approximately USD 13.3 billion in 2019. Further improvements in the tracking of health security through the SHA could also be reflected in TOSSD. In addition, TOSSD could allow countries that already have the capacity to report health security expenditures currently not (well) reflected in the SHA to do so. A medium-term objective could also be to work with SHA providers to seek more granular data where possible. The added value of TOSSD is that it will present SHA expenditures on health security complemented by other health expenditures contributing to global public goods for health, in particular R&D, international health co-operation and cross-border flows to developing countries. It will also present these expenditures alongside other contributions to global public goods, e.g. climate mitigation.

Recommendations

As outlined above, the scope of global and domestic health expenditures in Pillar II will depend on the overall objective of TOSSD and Pillar II:

- If the overall objective of TOSSD Pillar II is to measure financing that promotes the sustainable development of developing countries, we recommend not including any of the above expenditures.
- If the overall objective of TOSSD Pillar II is to track expenditures that promote global sustainable development and IPGs, we recommend including (i) all expenditures that promote international health co-operation; and (ii) domestic expenditures that contribute to health security, using the JEE indicators as a reference and the OECD and WHO SHA as a data source, while allowing countries to report additional activities on health security currently not (well) tracked in the SHA.

III. Tracking the contributions of philanthropic organisations to global health

30. TOSSD is designed to mainly capture public, or “official”, financing for the implementation of the SDGs. However, the role of private finance, particularly from philanthropic organisations, in implementing the SDGs is also recognised in the 2030 Agenda. Private philanthropic foundations are particularly active in the area of health. Chapter 5 of the pilot investigates the relevance of including a satellite indicator of philanthropic financing in the TOSSD framework, using health as a case study.

A. Philanthropic organisations contribute considerably to improving global health and well-being

31. **The philanthropic financing of global health is considerable.** For example, in 2019 the total grants provided by the Bill & Melinda Gates Foundation (BMGF) amounted to nearly USD 3.5 billion, out of which USD 2.1 billion (60%) was provided to support health objectives. Moreover, next to its core contributions to Gavi, the Vaccine Alliance and the Global Fund, which totalled to USD 509 million, the BMGF was the third largest donor to WHO in 2018-19, with contributions totalling USD 455 million. In the fiscal year 2019-20, the Wellcome Trust provided grants of nearly USD 1.5 billion, almost all of which focussed on health research. **Philanthropic foundations’ contribution to health development co-operation in particular is essential.** For some recipient countries, such as India, support from philanthropic foundations in the health sector is larger than support from bilateral providers.

32. **The COVID-19 crisis has further highlighted the critical role of private foundations in funding global health.** A survey carried out in 2020 by the OECD Development Assistance Committee indicated that private foundations committed approximately USD 1.6 billion as an immediate response⁸ to the COVID-19 crisis, including both support to developing countries and to global public goods (e.g. COVID-19 R&D). Overall, since the beginning of the COVID-19 crisis, the BMGF has committed USD 1 billion in grants and mobilised USD 750 million in guarantees, forgivable loans and other financing from their Strategic Investment Fund. **Beyond their financial contribution, philanthropic foundations play an important role in shaping international co-operation for health.** Private philanthropies have initiated many international partnerships aimed at addressing global health challenges, including for example the Access to COVID-19 Tools (ACT)-Accelerator.

33. **Philanthropic foundations typically aim to contribute to global public goods.** They are strongly focussed on “open science” and global access to health technologies. They also often seek to address market failures, by supporting R&D for health technologies characterised by high social demand but insufficient commercial incentives (e.g. the development of an Ebola vaccine anti-microbial innovation).

B. TOSSD could track, in a satellite indicator, the philanthropic financing of the SDGs, which is currently only partially captured in international statistics

34. **While philanthropic financing for global health is essential, it is currently only partially tracked in international statistics on financing for sustainable development.** Private philanthropy for development is relatively well tracked in the Creditor Reporting System (CRS), but the coverage could be further improved in TOSSD by including contributions primarily supporting global objectives such as climate action or medical research (e.g. cancer, genomics). For example, while the Wellcome Trust granted around USD 1 billion of funding in 2019, only USD 324 million (32%) was captured in the CRS.

⁸ The survey covered only expenditures from January to April 2020.

35. **There is a high demand for tracking private philanthropy in TOSSD.** Previous TOSSD pilots have already shown the high demand in recipient countries for having a better picture of philanthropic financing in their countries.⁹ The experts interviewed in this pilot also confirmed the need to track more globally the contributions of philanthropic actors to advancing global health objectives. The need for tracking private grants was also emphasised by the UN Working Group on Measurement of Development Support established by the Inter-Agency and Expert Group on the Sustainable Development Goal Indicators:

Recommendation

In view of the above findings, the International TOSSD Task Force could envisage capturing philanthropic financing for the achievement of the SDGs, particularly health, in a satellite indicator.

Issues for discussion

- **Task Force members are invited to provide their feedback on the findings and recommendations of the TOSSD health pilot.**

⁹ See for the example the pilot study on “Indonesia’s perspective on Total Official Support for Sustainable Development (TOSSD)” (https://www.oecd-ilibrary.org/development/indonesia-s-perspective-on-total-official-support-for-sustainable-development-tossd_b53a1e0c-en).